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Attorneys for Debtor-in-Possession JOHN DEHART WOLLSTEIN

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UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

In re) Case No. 11-00098) (Chapter 11)
JOHN DeHART WOLLSTEIN,	MOTION FOR LEAVE TO WITHDRAW AS COUNSEL FOR DEBTOR-IN-POSSESSION JOHN DEHART WOLLSTEIN;
Debtor.	DECLARATION OF STEVEN GUTTMAN; EXHIBIT "A"
) HEARING:) Date:) Time:) Judge: Hon. Robert J. Faris)

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MOTION FOR LEAVE TO WITHDRAW AS COUNSEL FOR DEBTOR-IN-POSSESSION JOHN DEHART WOLLSTEIN

Kessner Umebayashi Bain & Matsunaga, attorneys of record for Debtor-In-Possession, JOHN DEHART WOLLSTEIN, hereby petitions for authorization to withdraw as his counsel.

This Motion is made in accordance with Local Bankruptcy Rules 2091-1 and 9013-1(c) of the United States Bankruptcy Court for the District of Hawaii, and is based upon the Declaration of Steven Guttman filed concurrently herewith and the records and files herein.

DATED: Honolulu, Hawaii, August 15, 2011.

/s/ STEVEN GUTTMAN
STEVEN GUTTMAN
MIRIAH HOLDEN
Attorneys for Debtor-in-Possession

John DeHart Wollstein

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UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

In re) Case No. 11-00098) (Chapter 11)
JOHN DeHART WOLLSTEIN,	DECLARATION OF STEVEN GUTTMAN
Debtor.) HEARING: Date: Time: Judge: Hon. Robert J. Faris)

DECLARATION OF STEVEN GUTTMAN IN SUPPORT OF MOTION

- I, STEVEN GUTTMAN, hereby declare:
- I am an attorney licensed to practice in the State of Hawaii and before this Court.
- 2. Kessner Umebayashi Bain & Matsunaga ("KUBM") and I (jointly referred to herein as "Counsel") are the attorneys of record for Debtor-in-Possession JOHN DEHART WOLLSTEIN ("Debtor") in the instant case.

- 3. This Declaration is submitted in support of Counsel's Motion to Withdraw as attorney of record for the Debtor.
- 4. Counsel acknowledges that submitting such a petition to withdraw is unusual, however, Counsel's request is merited.
- 5. Debtor initiated this case on a *pro se* basis by filing a voluntary Chapter 11 bankruptcy petition on January 14, 2011 ("Petition Date").
- 6. Counsel was retained after the Petition Date. The Order Granting Application for Authority to Employ Attorney retroactively from February 11, 2011 was filed on March 3, 2011.
- 7. The initial legal work completed on behalf of the Debtor involved addressing issues related to his real property management business, which included compiling Debtor's financial information into a format that complied with the monthly reporting requirements of the Office of the United States Trustee.
- 8. Substantial time was also incurred amending the bankruptcy schedules the Debtor had initially filed to ensure that the information disclosed therein accurately reflected Debtor's financial situation.

- 9. Counsel spent a considerable amount of time working with the Debtor to develop a viable plan of reorganization.
- 10. Our discussions as to reorganization included liquidating some of Debtor's real properties and formulating a repayment plan that would provide for full satisfaction of the existing unsecured debt.
- 11. At a meeting held on August 5, 2011, Debtor approved the specifics of the reorganization plan and provided instruction as to the orderly and timely disposition of the various real properties that were to be liquidated.
- 12. On August 12, 2011, Debtor originated communications that were totally inconsistent with what had been discussed on August 5, 2011 with respect to the plan of reorganization.
- 13. The emails corresponding to the August 12, 2011 communications can be made available to the Court *in camera*.
- 14. After due consideration, a letter dated August 13, 2011, a true and correct copy of which is attached hereto as Exhibit "A", was sent to Debtor via email and U.S. Mail, postage prepaid, to 2415 Ala Wai Boulevard, Suite 1901, Honolulu, Hawaii 96815.

- 15. Debtor is being advised of his obligation to keep this Court informed as to his current mailing address. Debtor's present physical location is unclear.
- 16. I believe the appropriate attorney-client relationship between Counsel and the Debtor is irreconcilably and permanently broken.
- 17. The net proceeds from the sale of the real property located at 2415 Ala Wai Boulevard, Unit 1808, Honolulu, Hawaii 96815, in the amount of \$115,787.82, are on deposit with First Hawaiian Bank in a separate DIP Holding Account which requires the signature of both Debtor and the undersigned for the withdrawal of funds. The interim disposition of these funds needs to be addressed.
- 18. Based upon the incidents described herein, the attorney-client relationship has been broken and cannot be restored. As such, KUBM and the undersigned ask that this Court grant their request to withdraw as counsel for Debtor-in-Possession John DeHart Wollstein.

Executed on this 15th day of August, 2011.

<u>/s/ STEVEN GUTTMAN</u> STEVEN GUTTMAN

KESSNER UMEBAYASHI BAIN & MATSUNAGA

ATTORNEYS AT LAW
A LAW CORPORATION

TELEPHONE: (808)536-1900 TELECOPIER: (808)529-7177

August 13, 2011

VIA EMAIL & U.S. MAIL

220 SOUTH KING STREET

SUITE 1900 HONOLULU, HAWAII 96813

> Mr. John Wollstein 2415 Ala Wai Blvd, Suite 1901 Honolulu, Hawaii 96815

> > RE:

In re John DeHart Wollstein
Case No. 11-00098 (Chapter 11)

Dear Mr. Wollstein:

The purpose of this letter is to inform you that this coming Monday, August 15, we will file a Motion to Withdrawal as your counsel in the above-referenced matter.

The decision to withdraw was made after reading your two emails of August 12, the first of which was sent only to my legal assistant. The emails were totally inconsistent with our prior communications, including our discussions at the meeting on August 5, 2011. Specifically, your first email, which was in reference to Hawaiian Monarch PH504, set forth a plan of action vastly different from our prior communications and from what had been represented to counsel for the secured lender. The second email set forth a reorganization plan totally inconsistent with the plan we have been working on for the past months, in consultation with you, and confirmed at the August 5 meeting.

As you know, the Bankruptcy Court set a deadline of August 15 to file a reorganization plan and disclosure statement. Based upon your August 12 email, we will also file on August 15 a motion to extend the plan and disclosure deadlines. We will also request an expedited hearing date as to both the withdrawal and deadline extension motions.

I recommend that you retain replacement counsel to represent you in this case. Please be assured that my staff and I will fully cooperate with substitute counsel.

Copies of the two motions will be sent to you on Monday. Upon our being informed of the hearing date, the information will be promptly provided to you.

Sincerely,

KESSNER UMEBAYASHI BAIN & MATSUNAGA

Steven Guttman

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